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Attorney Ref.: 800832/S8232/GDK/mwp

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In re the Matter of:

Application Serial No. 78/277,681

Mark: HOTELS.COM

Applicant: Hotels.com, L.P.

Filing Date: July 23, 2003

APPLICANT'S REPLY BRIEF

Applicant, by its attorneys, hereby submits this reply brief in response to the Examining Attorney's appeal brief dated June 26, 2007. While Applicant will not reiterate the arguments already set forth in its main brief filed April 26, 2007, the Examining Attorney's appeal brief contains a number of points and assertions which compel a response by way of this reply brief.

I. Most of the "Evidence" Attached to the Examining Attorney's Appeal Brief Is Untimely and Should Be Excluded from Consideration.

The Examining Attorney requests in her brief (p. 7) that the Board take judicial notice of additional evidentiary materials attached, for the first time, to her brief. This new evidence is not even discussed by the Examining Attorney but, rather, the Board is simply asked to take judicial notice of it.

While it is proper, of course, for the Board to take judicial notice of general dictionary references, a number of the materials attached to the Examining Attorney's brief are simply unidentified on-line references of unknown origin, unknown reputation and unknown accuracy.



For example, there are on-line excerpts from something entitled "Encarta.msn.com," and excerpts from something entitled "dictionary.reference.com." Applicant has no idea what these references are, where they originate from, or whether they are generally recognized references. Unless the on-line web page excerpts clearly have their origin in printed works, they are not appropriate items of which the Board may take judicial notice. See: In re Total Quality Group, Inc., 51 USPQ 2d 1474 (TTAB 1999).¹

II. HOTELS.COM Is Not the Generic Name for Applicant's Services.

The only real issue in dispute in this case is whether the term HOTELS.COM is generic for Applicant's recited services. Applicant does not dispute that the term is merely descriptive of the recited services for purposes of Section 2(e)(1) of the Act, but maintains that the mark has acquired distinctiveness under Section 2(f) of the Act.

The Examining Attorney, in her brief (pp. 5-6), specifically concedes that if the mark is found not to be generic, the Section 2(f) evidence is sufficient to support Applicant's claim of acquired distinctiveness.² The Examining Attorney's position is clear that the Section 2(f) evidence is not persuasive because the term is assertedly generic and no amount of evidence, therefore, would persuade her to allow the mark.

¹ The Board, in its January 31, 2006 ruling in the earlier HOTELS.COM case (s.n. 76/414,272), refused to take judicial notice of on-line web page definitions attached to the Examining Attorney's brief except for the ones where it was clear that they had their origin in printed works. The Board should similarly exclude the improper attachments in this case.

² The Examining Attorney, at pp. 5-6 of her brief, states: "If however, as decided in In re Hotels.Com LLP, the mark is ultimately determined to not be generic than (sic) the Section 2(f) evidence would be sufficient to support a claim of acquired distinctiveness." (Emphasis added.)

Therefore, while the Examining Attorney states that a genericness refusal has not issued in this case and that the technical refusal of registration is a descriptiveness refusal under Section 2(e)(1), it is clear that it is the assertedly generic nature of the mark which is why the Examining Attorney has refused to accept the Section 2(f) evidence of acquired distinctiveness. Applicant, therefore, has proceeded with the prosecution of this application up to and including the present appeal based on the assumption that it is the issue of the genericness of the term HOTELS.COM which is in issue herein since that is the only issue in dispute and the only impediment to allowance of Applicant's mark.³

A. The Examining Attorney's Clear Evidence Burden of Demonstrating Genericness and Applicant's Evidence of Non-Genericness.

While Applicant, as set out in its main brief, disputes the fact that the Examining Attorney has met her heavy burden of demonstrating the genericness of the mark by the "clear evidence" standard required in cases of this type,⁴ Applicant has presented significant and compelling evidence that the term HOTELS.COM is not generic as applied to the services identified in the application. This evidence of record is discussed in Applicant's main brief at pp. 8-13 and Applicant will not reiterate that discussion in this reply brief. The remainder of this reply brief will be limited to responding to a number of assertions and comments made by the Examining Attorney, in her appeal brief, which Applicant believes warrant a reply.

³ In the event the Section 2(e)(1) descriptiveness refusal is found to be the only hurdle Applicant needs to clear, there is really no reason for the refusal and this appeal. By the Examining Attorney's own admission in her brief, supra, the Section 2(f) evidence is sufficient to demonstrate acquired distinctiveness in the event the mark is determined not to be generic. See: f.n. 2, supra. The Board has already made the same finding in its January 31, 2006 decision in the earlier HOTELS.COM case, based on an evidentiary record essentially the same as presented in the instant case.

⁴ See: Applicant's appeal brief, pp. 5-8, which detail the Examining Attorney's failure to meet her "clear evidence" burden.

B. Res Judicata.

The Examining Attorney asserts, for the first time in her brief, that this appeal is barred under the doctrine of res judicata, arguing that the Board has already determined that HOTELS.COM is generic for the recited services; that all questions of fact and law have been determined and that no conditions have changed since the previous ruling, citing In re Bose Corporation, 81 USPQ 2d 1748 (Fed. Cir. 2007).⁵

The reliance on the Bose case in support of the Examining Attorney's eleventh hour res judicata claim is, to say the least, misplaced. The Bose case involved a second attempt by an applicant to register a product design previously found to be de jure functional. The court found that the second asserted mark sought to be registered was essentially the same mark previously found to be de jure functional and that there were no changed circumstances sufficient to bar the application of the doctrine of res judicata.

In the present case, while the word component HOTELS.COM is the same in both this case and the earlier application,⁶ the facts and circumstances have significantly changed in this case inasmuch as the evidentiary record presented herein on the factual question of whether or not consumers recognize or perceive HOTELS.COM as a generic designation for the recited services is substantially different from the evidentiary record in the earlier case. Specifically,

⁵ Examining Attorney's brief, p. 3. While the res judicata claim is clearly not well taken for the reasons expressed herein, Applicant notes that this issue was raised for the first time in the Examining Attorney's June 26, 2007 brief, notwithstanding the fact that the res judicata claim is based on a Board decision dated September 11, 2006. The Examining Attorney was fully aware of that Board decision at the time she denied, on February 24, 2007, Applicants request for reconsideration but did not see fit to raise any res judicata objection until her June 26, 2007 brief. Aside from being a legally unsound objection, it is also unfair to raise this issue for the first time with the Examining Attorney's brief.

⁶ Actually, the genericness of HOTELS.COM in the earlier application came up in the context of a disclaimer requirement of HOTELS.COM inasmuch as the applied for mark in the earlier application was HOTELS.COM and Design.

following the Board's decision in the earlier case, Applicant commissioned a nationwide consumer survey to test the generic or non-generic character of HOTELS.COM for the recited services. The survey evidence in this case represents a substantial and significant change in facts and circumstances compared to what was presented in the earlier case such that res judicata cannot be invoked to preclude a decision in this case based on the record presented.

Regarding the application of res judicata in PTO proceedings, the court, in the Bose case, supra, reiterated its warning that it is important to exercise caution in applying claim preclusion by the PTO, and specifically noted that the Board has recognized that this caution must be exercised in applying claim preclusion in an ex parte proceeding, citing In re Oscar Mayer & Co., Inc., 171 USPQ 571 (TTAB 1971). In that case, the Board specifically stated that there is nothing to preclude an applicant from attempting a second time in an ex parte proceeding to register a mark if conditions and circumstances have changed since the rendering of an adverse final decision in the first application. The Board then correctly noted that the question generally in the second case is whether changes in facts and circumstances do exist and, if so, whether they can support the registration sought.

This case presents new facts and circumstances which clearly are of a type precluding the imposition of res judicata. Applicant did not conduct any genericness survey in the first case, believing that the evidentiary record in the earlier case was sufficient to succeed on the issue of genericness and that the extraordinary expense of proceeding with a nationwide survey was unnecessary. Following the Board's decision in the earlier case, Applicant then proceeded to proceed with the expense associated with such a survey and that survey evidence represents a significant and, it is submitted, determinative change in facts and circumstances.

Accordingly, the Examining Attorney's last minute attempt to try to have this refusal affirmed on res judicata grounds must be rejected.

C. The Examining Attorney's Criticism of Applicant's Declarations.

The Examining Attorney, in her brief (pp. 8-9), refers in passing to Applicant's 64 declarations submitted by Applicant in support of its position that the term HOTELS.COM is not generic as applied to the recited services as well as in support of its position that the mark has acquired distinctiveness and is registrable under Section 2(f) of the Act.

The Examining Attorney's criticism of Applicant's 64 declarations from its customers, vendors, competitors and others in the field⁷ is limited to simply quoting, without any comment or analysis, three sentences from the Board's October 24, 2006 denial of Applicant's request for reconsideration in the earlier HOTELS.COM case (serial no. 76/414,272). That quotation refers to the fact that the declarations were form declarations; that the declarations did not indicate that the declarants were familiar with the distinction between inherently distinctive marks and terms that have acquired distinctiveness or that the declarants were familiar with the distinctions between a generic term and a descriptive term.

In response to these criticisms, Applicant first points out that its evidentiary burden, assuming arguendo, that the Examining Attorney has met her initial evidentiary burden of showing the term is generic by "clear evidence," is to simply present enough evidence of non-genericness such that there is some doubt on the factual issue of genericness, which doubt must be resolved, in this ex parte context, in favor of the Applicant by publishing the mark and allowing anyone who believes he would be damaged by the registration of the mark to file an

⁷ These declarations are discussed in more detail at p. 9 of Applicant's main brief on the case.

opposition seeking to prevent such registration. See: In re DNI Holdings, Ltd., 77 USPQ 2d 1435 (TTAB 2005).

Applicant's 64 declarations, it is submitted, are sufficiently probative to at least meet the threshold level needed of raising enough of a doubt about the factual issue of genericness sufficient to warrant publication of the mark for opposition. These declarations clearly indicate that the declarants do not recognize HOTELS.COM as referring to a class or category of the identified services but, rather, the declarants recognize the term as referring to such services which originate with Applicant and only with Applicant. While the declarations may not, in and of themselves, be absolute proof and irrefutable evidence on the non-generic nature of the mark, that is not Applicant's evidentiary burden in this ex parte examination of a mark, as noted above. The declarations clearly are, it is submitted, probative evidence which supports Applicant's position that potential consumers of Applicant's services do not perceive the term to be a generic designation but, rather, recognize the term as a brand of hotel reservation and lodging related travel agency services originating with one and only one source -- Applicant. These declarations, it should be noted, are consistent with Applicant's survey results of non-genericness.

While Applicant, as is clear from the evidentiary record presented herein, is not relying solely on the 64 declarations in support of its position on non-genericness, Applicant submits that these declarations, even standing alone, are sufficient probative evidence of the non-genericness of the term HOTELS.COM to at least raise enough of a doubt on the factual issue of genericness, to warrant publication of the mark for opposition.

D. The Examining Attorney's Criticisms of Applicant's "Teflon" Genericness Survey Evidence.

The Examining Attorney, for the first time in her answering brief, has set forth a number of criticisms concerning Applicant's "Teflon" type genericness survey.⁸ These criticisms are believed to be baseless and Applicant will briefly address them.

First, the Examining Attorney states that survey evidence is usually submitted in an inter partes proceeding, not an ex parte proceeding, and that the citation of cases by Applicant and the citation of McCarthy on Trademarks and Unfair Competition by Applicant (p. 12 of its main brief) refer to inter partes proceedings.

Applicant, quite frankly, is at a loss to understand the point of the foregoing comments by the Examining Attorney. While it may be the case, given the expense of such surveys, that most of them are done in the context of inter partes cases and that reported court decisions giving substantial weight to such "Teflon" surveys are usually in the context of contested inter partes cases, there is of course no reason whatsoever why such surveys should not be considered in ex parte cases and why they should not be given substantial weight in ex parte cases. The Examining Attorney has not given any indication why such surveys should be given less

⁸ It is noted that the survey evidence was provided to the Examining Attorney at the time the Board remanded the application to the Examining Attorney to consider the new evidence. Following consideration of the survey evidence, the Examining Attorney, in her February 24, 2007 Office Action, did not see fit to make any of the criticisms of the survey evidence which she now makes, for the first time, in her answering brief. Rather, the Examining Attorney's reference to the survey evidence in her February 24, 2007 Office Action was limited to only two sentences, as follows:

"The applicant has added survey evidence to bolster their Section 2(f) claim. Where registration is sought for generic matter, the matter is unregistrable."

consideration in ex parte cases compared to inter partes cases and, not surprisingly, there is no support whatsoever for such a proposition.²

Next, the Examining Attorney implies that the survey "...could contain flaws with regard to sampling size (only 277 polled and 250 respondents included in analysis)."¹⁰ The Examining Attorney, however, does not support this criticism with any analysis or authority whatsoever. It simply stands as a conclusory criticism without any basis.

In fact, it is submitted that Applicant's sampling size is sufficiently large as to be statistically valid and that similar such "Teflon" type surveys with similar sampling sizes have been accepted in the past.¹¹

Next, the Examining Attorney criticizes the survey because it was conducted over the telephone. Again, that is the sum and substance of the criticism. There are no reasons given why such surveys by telephone are in any way improper or inferior. There are no cases cited nor any authority given. It is simply a conclusory criticism which is entirely baseless.

² In fact, such survey evidence, in an ex parte context, may well be more significant in a genericness case, relatively speaking, since the only evidentiary burden needed to be met is to proffer sufficient evidence of non-genericness to rebut the Examining Attorney's "clear evidence" burden and raise a doubt on the factual issue of genericness, which doubt must be resolved in favor of the applicant.

¹⁰ Examining Attorney's answering brief, p. 9.

¹¹ As stated by Applicant's survey expert, Dr. Thomas D. Dupont, Applicant's survey, including the sample chosen being statistically representative of the chosen and defined universe of respondents, meets or exceeds the survey standards set forth in the Manual for Complex Litigation, Fourth ed. See: The "Statement of Responsibility" of Dr. Dupont, which is of record herein.

Aside from the foregoing, Applicant has not been able to find any case where a sample size of the level presented herein was found to be too small to be statistically significant. Compare: Lisa Frank, Inc. v. Impact Int'l, Inc., 799 F. Supp. 980 (D. Ariz. 1992); Mastercard Intern. Inc. v. First Nat. Bank of Omaha, Inc., 2004 WL326708 (S.D.N.Y. 2004); Jacob Zimmerman v. National Association of Realtors, 70 USPQ 2d 1425 (TTAB 2004); Autozone, Inc. v. Tandy Corp., 71 USPQ 2d 1385 (6th Cir. 2004).

Next, the Examining Attorney criticizes the selection of the universe of respondents, asserting that the survey is flawed insofar as it failed to determine whether respondents were limited to those who use third party reservation services and that respondents included in Applicant's survey could include walk up customers or customers who use the hotel provider's website or phone number to make hotel reservations.

Once again, the Examining Attorney's criticism is misplaced. In the earlier HOTELS.COM Board decision with respect to serial number 76/414,272, the Board specifically concluded that Applicant's services are broad and available to all customary consumers including those who would need information on hotels and other types of temporary lodging, or would need to book or make hotel reservations.¹² With this conclusion by the Board in the earlier case in mind, Applicant proceeded to design its survey and select its universe of respondents accordingly. It is submitted that the universe of respondents selected, comprising adult males and females over 18 years old who had either stayed at a hotel/motel within the last 12 months or who planned to stay at a hotel/motel within the next 12 months accurately reflects and captures the universe of prospective consumers of Applicant's services.¹³

Finally, the Examining Attorney, once again with no support or authority, criticizes the survey because the survey questions referred to a brand name versus a common name. The Examining Attorney, with no support or authority, concludes that this represents a flaw in the survey; that there is no evidence that respondents understood the difference between a generic

¹² See Applicant's main brief, p. 11, f.n. 8.

¹³ If anything, a limitation of the type suggested by the Examining Attorney would, logically, result in an even higher percentage of brand name recognition by such respondents (since a higher percentage of respondents presumably would, if limited to people who actually use third party reservation services, be familiar with Applicant and its HOTELS.COM services).

and non-generic designation and that the survey should have asked respondents "...whether the term HOTELS is a generic or non-generic designation." (Examining Attorney's answering brief, p. 9).

Regarding the use of the terminology brand name versus common name as opposed to generic versus non-generic, there is no authority (and none has been cited by the Examining Attorney) for the proposition that utilization of brand name versus common name is in any way, improper or that it somehow compromises the reliability of the survey. The term common name is equivalent to generic name while brand name is equivalent to non-generic designation. The survey, as is clear from the record herein, explained to respondents the concept of a brand name versus a common name and tested respondents to determine their comprehension of the distinction. Only respondents who understood the concept continued with the survey.

The use of the brand name versus common name and the testing of respondents' understanding of the concept and the distinctions between the two terms are part of classic "Teflon" survey methodology and have been accepted in other "Teflon" type surveys over the years, including the cases cited by Applicant in its main brief. The Examining Attorney's criticism of this portion of the survey is baseless and is devoid of any authority or support.¹⁴

III. Conclusion.

This is an ex parte proceeding. The Examining Attorney must allow the mark to be published for opposition unless the mark is considered unregistrable under the Act. In this case, the only issue in dispute is whether HOTELS.COM is generic for the services identified in the

¹⁴ With respect to the Examining Attorney's comment that a more apt survey would be to ask respondents whether HOTELS is a generic or non-generic designation, such a comment is nonsensical. "HOTELS" is not the mark sought to be registered here.

application. If it is not generic, but only merely descriptive, the Examining Attorney concedes that the evidence of acquired distinctiveness is sufficient to warrant registration under Section 2(f). The Board, on essentially the same evidentiary record in the earlier application serial no. 76/414,272 as that presented herein, concluded in the earlier case that the evidence of acquired distinctiveness was sufficient to warrant registration under Section 2(f) if the mark was ultimately found not to be generic.

On the genericness issue, there is no dispute that the Examining Attorney has the burden of demonstrating the genericness of HOTELS.COM for the recited services by "clear evidence." If that burden is not met, the refusal must be reversed and the mark must proceed to publication. If the Board finds that the Examining Attorney has met the "clear evidence" burden, it is Applicant's burden to present evidence of non-genericness sufficient to at least raise a doubt as to whether or not prospective customers perceive HOTELS.COM as a generic name for the recited services. If there is any such doubt, such doubt must be resolved in favor of the Applicant with the mark being published for opposition.

In this case, Applicant does not believe the Examining Attorney has met her "clear evidence" burden, for the reasons stated herein and previously stated in Applicant's main brief.¹⁵

¹⁵ It should be noted that in the various ".com" cases cited by the Examining Attorney, at pp. 12-13 of her brief, all of the cases where the genericness refusal was affirmed were decided, as they must be, on the specific evidentiary record set forth in each case. None of the cited cases, it is submitted, had an evidentiary record in support of the Applicant's non-genericness claim as compelling as the record presented herein, which includes a nationwide genericness survey with a significant (76%) finding of non-genericness. For that reason alone, the cases of In re Eddie Z's Blinds and Drapery, Inc., 74 USPQ 2d 1037 (TTAB 2005); In re Reed Elsevier Properties, Inc., 77 USPQ 2d 1649 (TTAB 2005) and In re DNI Holdings Ltd., 77 USPQ 2d 1435 (TTAB 2005) are distinguishable.

Moreover, with respect to the remaining ".com" cases cited by the Examining Attorney, these decisions did not even deal with genericness but, rather, involved only the issue of descriptiveness. These cases, therefore, are entirely irrelevant to the instant appeal. See: In re Oppedahl & Larsen LLP., 71 USPQ 2d 1370 (Fed Cir. 2004) and In re Microsoft Corp., 68 USPQ 2d 1195 (TTAB 2003).

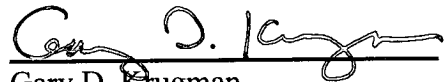
However, even if the Board finds that such burden has been met, Applicant has presented substantial evidence of the non-generic significance of the term HOTELS.COM in the nature of multiple declarations of customers, vendors and competitors of Applicant and, most significantly, in the nature of a nationwide consumer genericness survey showing recognition of the term HOTELS.COM as a non-generic brand name for Applicant's services by 76% of respondents surveyed. This evidence, it is submitted, clearly demonstrates the non-generic significance of the mark sought to be registered and substantially exceeds the level of non-generic evidence needed to at least raise enough of a doubt about the generic or non-generic nature of the term sufficient to warrant publication of the mark.

For the foregoing reasons, it is respectfully submitted that the refusal of registration be reversed and that the mark proceed to registration pursuant to the provisions of Section 2(f) of the Act.

Respectfully submitted,

HOTELS.COM, L.P.

By:



Gary D. Krugman

Kevin G. Smith

Jody H. Drake

Attorneys for Applicant

SUGHRUE MION, PLLC

2100 Pennsylvania Avenue, N.W.

Washington, DC 20037-3213

T 202.293.7060

F 202.293.7860

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